

## **FREQUENTLY ASKED QUESTIONS (FAQs)**

Bank Indonesia Circular Letter Number 12/25/DPM dated August 30, 2010 concerning the Second Amendment to Bank Indonesia Circular Letter Number 10/16/DPM dated March 31, 2008 concerning Procedures for the Issuance of Bank Indonesia Sharia Certificates through Auction

**Q : What is the background of the issuance of the amendment to regulation concerning Procedure for the Issuance of Bank Indonesia Sharia Certificates through Auction?**

A : The background of the issuance of this Circular Letter is the issuance of Bank Indonesia Regulation No. 10/11/PBI/2008 concerning Bank Indonesia Sharia Certificates as amended by Bank Indonesia Regulation No. 12/18/PBI/2010 dated August 30, 2010 and in the context of the harmonization of regulations on monetary operation. Accordingly, it is necessary to amend the provisions of Roman number IX, Appendix I, Appendix 2 and Appendix 3 to Bank Indonesia Circular Letter No. 10/16/DPM dated March 31, 2008 concerning Procedures for the Issuance of Bank Indonesia Sharia Certificates through Auction.

**Q : What amendments are made in this Circular Letter?**

A : The provisions amended are provisions in Roman number IX point 1 letter b and point 2 as well as several examples presented in Appendix 1, Appendix 2 and Appendix 3 concerning the imposition of sanctions. The amendments are, among others, as follows:

- The provision in Roman number IX point 1 letter b is amended so as to read as follows:
  - b. a financial penalty of 0.01% (one-ten thousandth) of the nominal value of the cancelled transactions on SBIS, in the minimum of Rp10,000,000.00 (ten million Rupiah) and in the maximum of Rp100,000,000.00 (one hundred million Rupiah) for every cancellation.
- The provision in Roman number IX point 2 is amended so as to read as follows:
  - 2. Without prejudice to the sanction as referred to in point IX.1, in the event that a Sharia Commercial Bank (BUS) or a Sharia Business Unit (UUS) makes Transactions on SBIS and/or other sharia monetary operations transactions as referred to in Bank Indonesia Regulation concerning sharia monetary operation, which is declared to be cancelled three times during 6 (six) month-tenure, the BUS or UUS shall be subject to temporary suspension of its participation in sharia monetary operations for 5 (five) consecutive business days.